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0000124712

ARIZONA CORPORATION COMMISSION

April 20, 2011

Ms. Marian Homiak
Sahuarita Water Company
Post Office Box 1520
Sahuarita, Arizona 85629

RE: SAHUARITA WATER COMPANY
DOCKET NO. W-03718A-09-0359
DECISION NO. 72177

Notice of Compliance

Dear Ms. Homiak:

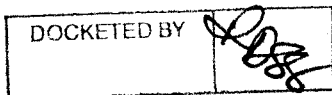
Enclosed is a stamped copy of the **REVISED** tariffs that were approved as being in compliance to the above Decision, with an effective date of March 1, 2011.

If you have questions regarding the filing of these tariffs, please contact me at (602) 364-1608.

Sincerely,

Arizona Corporation Commission
DOCKETED

APR 20 2011



Tanya D. Pitre
Administrative Assistant II
Utilities Division

/tdp

Enclosures

cc: Jeffrey Michlik – Public Utilities Analyst V
Marlin Scott, Jr. – Utilities Engineer – Water/Wastewater
Alfonso Amezcua – Consumer Analyst II
Docket Control Center

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2011 APR 20 P 2:31
AZ CORP COMMISSION
DOCKET CONTROL

			SHEET NO.	i.i
Sahuarita Water Company, LLC				

TARIFF

ISSUED			EFFECTIVE	
	Month Day Year	ISSUED BY:		Month Day Year
	Feb. 11, 2011	Mark Seamans, President		March 1, 2011
		4549 East Fort Lowell Road		
		Tucson, AZ 85712		

			SHEET NO.	i.ii
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PART ONE

STATEMENT OF CHARGES – WATER SERVICE

I. RATES

On February 11, 2011, in Decision No. 72177, the Arizona Corporation Commission issued an Order approving the following rates and charges to become effective on March 1, 2011:

A. Monthly Usage Charges – All Classes:

<u>Meter Size</u>	<u>Monthly Usage Charge</u>
5/8" x 3/4" Meter	\$16.00
3/4" Meter	\$25.00
1" Meter	\$40.00
1 1/2" Meter	\$80.00
2" Meter	\$128.00
3" Meter	\$256.00
4" Meter	\$400.00
6" Meter	\$800.00

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B. Commodity Rates Per 1,000 Gallons

5/8" x 3/4" Meter (Residential)

First 3,000 Gallons	2.33
3,001 to 9,000 Gallons	3.50
Over 9,000 Gallons	4.20

5/8" x 3/4" Meter (Commercial/Industrial/Irrigation)

First 9,000 Gallons	3.50
Over 9,000 Gallons	4.20

3/4" Meter (Residential)

First 3,000 Gallons	2.33
3,001 to 9,000 Gallons	3.50
Over 9,000 Gallons	4.20

3/4" Meter (Commercial/Industrial/Irrigation)

First 9,000 Gallons	3.50
Over 9,000 Gallons	4.20

1" Meter (Residential)

First 20,000 Gallons	3.50
Over 20,000 Gallons	4.20

1" Meter (Commercial/Industrial/Irrigation)

First 20,000 Gallons	3.50
Over 20,000 Gallons	4.20

1 1/2" Meter (All Classes, Except Standpipe/Construction)

First 55,000 Gallons	3.50
Over 55,000 Gallons	4.20

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Commodity Rates Per 1,000 Gallons (continued)

2" Meter (All Classes, Except Standpipe/Construction)

First 90,000 Gallons	3.50
Over 90,000 Gallons	4.20

3" Meter (All Classes, Except Standpipe/Construction)

First 200,000 Gallons	3.50
Over 200,000 Gallons	4.20

4" Meter (All Classes, Except Standpipe/Construction)

First 350,000 Gallons	3.50
Over 350,000 Gallons	4.20

6" Meter (All Classes, Except Standpipe/Construction)

First 750,000 Gallons	3.50
Over 750,000 Gallons	4.20

Standpipe (Construction)

All Usage	4.20
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II. SERVICE LINE AND METER INSTALLATION CHARGES
(Refundable Pursuant to A.A.C. R14-2-405)

	<u>Service Line Charge</u>	<u>Meter Installation Charge</u>	<u>Total Charge</u>
5/8" x 3/4" Meter	\$445.00	\$155.00	\$600.00
3/4" Meter	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00
1 1/2" Meter	550.00	525.00	1,075.00
2" Turbine	830.00	1,045.00	1,875.00
2" Compound	830.00	1,890.00	2,720.00
3" Turbine	1,045.00	1,670.00	2,715.00
3" Compound	1,165.00	2,545.00	3,710.00
4" Turbine	1,490.00	2,670.00	4,160.00
4" Compound	1,670.00	3,645.00	5,315.00
6" Turbine	2,210.00	5,025.00	7,235.00
6" Compound	2,330.00	6,920.00	9,250.00
Over 6"	At Cost	At Cost	At Cost

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III. SERVICE CHARGES:

A. Establishment	\$25.00
B. Establishment (After Hours)	40.00
C. Reconnection (Delinquent)	25.00
D. Reconnection (Delinquent and After Hours)	40.00
E. NSF Check	15.00
F. Meter Test (If Correct)	25.00
G. Deposit	*
H. Deposit Interest	6%
I. Reestablishment (within 12 months)	***
J. Late Payment Penalty	\$5.00 or 1.5% per month (whichever is greater)
K. Deferred Payment	1.5% per month
L. Moving Meter at Customer Request	At Cost
M. Main Extension and Additional Facilities	At Cost

* Per Commission Rule A.A.C. R14-2-403(B)

*** Per Commission Rule A.A.C. R14-2-403(D)-Months off the system times the monthly minimum.

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IV. CAGRD FEE ADJUSTOR:

The Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGRD") fee adjustor to recover the annual charges imposed upon the Company by the CAGRD as a result of the Company's membership in the CAGRD. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGRD fee adjustor per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after March 1, 2011 in accordance with the following conditions as set forth in Decision No. 72177:

1. The adjustor fee shall apply to all water sold after October 1, 2010, or shall become effective on the date new rates from this case become effective, whichever is later.
2. The Company shall, on a monthly basis, place all CAGRD monies collected from customers in a separate, interest-bearing account ("CAGRD Account").
3. The only time the Company can withdraw money from the CAGRD Account is to pay the annual CAGRD fee to the CAGRD, which is due on October 15th of each year.
4. The Company must provide to Staff a semi-annual report of the CAGRD account and CAGRD use fees collected from customers and paid to the CAGRD, with the reports due during the last week of October and the last week of April of each year.
5. The Company must provide to Staff, every June 30th, the new firm rates set by the CAGRD for the following years.
6. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees paid by the Company for the most current year in the Tucson Active Management Area (AMA) shall be divided by the gallons sold by the Company in that year to determine a CAGRD adjustor fee per 1,000 gallons.

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CAGRD FEE ADJUSTOR (continued):

7. By August 25th of each year, beginning in 2011, the Company shall submit for Commission consideration its proposed CAGRD adjustor fee for the Tucson AMA along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. Failure to provide such documentation to Staff shall result in the immediate cessation of the CAGRD adjustor fee. Commission-approved fees shall become effective on the following October 1st.
8. If the CAGRD changes its current method of assessing fees to some other method, such as, but not limited to, future projections, water usage, or total water allocated to the Company, the Company's collection from customers of CAGRD fees shall cease.
9. As a compliance item, the Company shall submit yearly, a new tariff reflecting the reset adjustor amount.

The initial CAGRD fee is calculated by dividing the total CAGRD fees for 2009 by the gallons sold for that year.

A. Total CAGRD Fees	\$200,489
B. Total Gallons Sold (1,000)	509,132
C. Charge per 1,000 gallons (A divided by B)	\$ 0.394

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W-02808A-94-0327				

V. TAXES:

In addition to the collection of its regular rates and charges, the Company shall collect from its customers their proportionate share of any privilege, sales or use tax in accordance with R14-2-409.D(5).

ISSUED			EFFECTIVE	
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	December 20, 1995	Mark Seamans, President		January 1, 1996
		4549 East Fort Lowell Road		
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		Decision No. 59431		

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Sahuarita Water Company, LLC				
W-02808-99-0143				

VI. OFF-SITE FACILITIES HOOK-UP FEE:

Applicable To: In addition to the Meter Installation Charge and requirements for on-site facilities to be installed pursuant to approved main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement located in the Company's Service Area.

Purpose: To equitably apportion the costs of off-site water facility development to serve Company's Service Area among all new service connections in that area.

Definitions:

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means Sahuarita Water Company, LLC, and Arizona limited liability company.

"Service Area" means that portion of the Company's Certificate of Convenience and Necessity water utility service area located generally in the Town of Sahuarita, Pima County, Arizona.

"Main Extension Agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to Company, which agreement shall require approval of the Arizona Corporation Commission. Same as "line extension agreement".

"Off-site facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire system.

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	November 2, 1999	Mark Seamans, President		November 22, 1999
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		Decision No. 62032		

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W-02808-99-0143				

OFF-SITE FACILITIES HOOK-UP FEE (continued):

“Service connection” means and includes all service connections for single-family residential or other uses, regardless of meter size.

Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

OFF-SITE FACILITIES HOOK-UP FEE TABLE

<u>Meter Size</u>	<u>Total Fee</u>
5/8" x 3/4"	\$ 350.00
3/4"	\$ 420.00
1"	\$ 700.00
1 1/2"	\$ 1,400.00
2"	\$ 2,240.00
3"	\$ 4,200.00
4"	\$ 7,000.00
6" or greater	\$14,000.00

Terms and Conditions:

- (A) **Time of Payment:** In addition to the amounts to be advanced pursuant to an Arizona Corporation Commission approved main extension agreement, the applicant for new water services shall pay the Company the Off-site Facilities Hook-up Fee as determined by meter size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-Site Facilities Hook-up Fee shall be made at the time of payment of the main extension agreement or prior to commencement of construction of the water facilities to be installed by applicant pursuant to the main extension agreement.
- (B) **Off-site Facilities Hook-up Fee Non-refundable:** The amounts collected pursuant to the Off-site Facilities Hook-up Fee shall be non-refundable advances in aid of construction.

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OFF-SITE FACILITIES HOOK-UP FEE (continued):

(C) Trust Account: All funds collected as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

(D) Disposition of Excess Funds: After all necessary off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of the Arizona Corporation Commission (Commission), any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(E) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the Off-site Facilities Hook-up Fee and which are contemplated to be constructed using the proceeds of the Off-site Facilities Hook-up Fee, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-site Facilities Hook-up Fee.

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VII. BEST MANAGEMENT PRACTICES:

A. Public Education Program Tariff

PURPOSE

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water savings tips, home preparation recommendations for water system/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings to print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.

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VII. BEST MANAGEMENT PRACTICES (continued):

A. Public Education Program Tariff (continued)

REQUIREMENTS (continued)

5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.

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VII. BEST MANAGEMENT PRACTICES (continued):

B. Special Events/Programs and Community Presentations Tariff-BMP 1.2

PURPOSE

A program for the Company to give presentations and/or display and make available water conservation information and related material at community and special events.

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall attend and staff at least three events per year in which the Company shall remind customers of the importance of water conservation measures. Events may include home and garden shows, art shows, community celebrations, environmental shows.
2. Information shall include water saving tips, home preparation recommendations for water system/pipes, landscape maintenance issues for summer and winter, Xeriscape information, youth education materials and any additional pertinent topics.
3. The Company shall keep a record of the following information and make it available to the Commission upon request:
 - a. A description of each special event and the date.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.
 - d. Costs of the Special Events/Programs and the Community Presentations implementation.

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VII. BEST MANAGEMENT PRACTICES (continued):

C. Youth Conservation Education-BMP 2.2

PURPOSE

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall make available free water conservation workbooks for elementary school students.
4. The Company shall keep a record of the following information and make it available upon request.
 - a. A description of the youth conservation education process implemented.
 - b. The number of students reached (or an estimate).
 - c. A description of the written water conservation material provided free to students.
 - d. Costs of the Youth Conservation Education Program implementation.

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VII. BEST MANAGEMENT PRACTICES (continued):

D. New Homeowner Landscape Information Tariff-BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping. (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information)

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, all applicable tariffs, a basic interior exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc., watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

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VII. BEST MANAGEMENT PRACTICES (continued):

E. Xeriscape Demonstration Garden Tariff-BMP 2.4

PURPOSE

A program for the Company to install and maintain a water efficient demonstration garden for the purpose of educating its customer base on low water-use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.4: Xeriscape Demonstration Garden).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall design, construct and maintain a demonstration garden that shall include a large variety of low water use and native plants, shrubs and shade trees.
2. The demonstration garden shall include a walkway throughout the site and include interpretive signage and literature about low water use plants and water efficient landscape techniques.
3. The demonstration garden shall be open, free of charge, to the public during normal business hours and all Saturdays of each month.
4. Maps providing driving directions to the demonstration garden shall be available at the Company office, on the Company web-site, and shall be provided to each new customer upon establishment of service.
5. The Company shall work with the schools, including the universities, to continually upgrade the site with additional technologies and techniques.

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VII. BEST MANAGEMENT PRACTICES (continued):

F. Customer High Water Use Inquiry Resolution Tariff-BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

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			SHEET NO.	7.7
Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

G. Customer High Water Use Inquiry Resolution Tariff-BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification, the customer will be reminded of at least the following water-saving precautions:
 - a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
 - b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
 - c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
 - d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.

ISSUED			EFFECTIVE	
	Month Day Year	ISSUED BY:		Month Day Year
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			SHEET NO.	7.8
Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

G. Customer High Water Use Inquiry Resolution Tariff-BMP 3.7 (continued)

REQUIREMENTS

6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
 - a. More people in the home than usual taking baths and showers.
 - b. Doing more loads of laundry than usual.
 - c. Doing a landscape project or starting a new lawn.
 - d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.
8. The Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.

ISSUED			EFFECTIVE	
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			SHEET NO.	7.9
Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

H. Water Waste Investigations and Information Tariff-BMP 3.8

PURPOSE

A program for the Company to assist customers with water waste complaints and provide customers with information designed to improve water use efficiency (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.8: Water Waste Investigations and Information).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission specifically R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle water waste complaints as calls are received.
2. Calls shall be taken by a customer service representative who has been trained to determine the type of water waste and to determine if it may be attributed to a leak or broken water line.
3. The Company shall follow up on every water waste complaint.
4. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to investigate further and notify the responsible party of the waste and offer assistance and information to prevent waste in the future.
5. A letter of enforcement will be issued to customers with water running beyond the curb and/or off the customers property due to such things as, but not limited to, backwashing of pools, broken sprinkler heads, and over watering of lawns beyond the saturation point.
6. The same procedures outlined above in item #4 will be followed in the event of a second violation. Termination of service may result in the event of the third violation within a 12 month period. In the event of a third violation the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E (applicable service reconnection fees shall apply).

ISSUED			EFFECTIVE	
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VII. BEST MANAGEMENT PRACTICES (continued):

H. Water Waste Investigations and Information Tariff-BMP 3.8 (continued)

REQUIREMENTS

7. The Company shall record each account and each instance noted for water waste, the action taken and any follow-up activities.
8. Subject to the provisions of this tariff, compliance with the water waste restriction will be a condition of service.
9. The Company shall provide to its customers a complete copy of this tariff and all attachments upon request for service. The customer shall abide by the water waste restriction.
10. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

ISSUED			EFFECTIVE	
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			SHEET NO.	7.11
Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

I. Meter Repair and/or Replacement Tariff-BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage, or
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks; registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram all water meters that measure consumption in 1000 gallon increments such that they shall measure consumption in 1 gallon increments.

ISSUED			EFFECTIVE	
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			SHEET NO.	7.12
Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

J. Large Landscape Conservation Program Tariff-BMP 6.12

PURPOSE

A program for the Company to promote water conservation measures by providing non-residential customers with support and incentives to improve their landscape water use efficiency (Modified Non-Per Capita Conservation Program BMP Category 6: Rebates/Incentives 6.12: Large Landscape Conservation Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. As an incentive to reduce water use for its non-residential customers with landscape watering needs, the Company shall work with the customer or the customer's contracted landscape company to collect and analyze up to 3 years of historical information for their meters, analyze past consumption patterns and compare meter size with consumption rates that might suggest meter over-sizing or meter/valve/backflow malfunctions. This analysis shall be presented in both raw data and graphically with recommendations for potential meter resizing and identification of high consumption situations and potential malfunctions of landscape watering equipment.
2. No less frequently than every three years, or upon customer request, the Company shall provide its non-residential customers with landscape watering needs, a historical consumption analysis study as described above in item #1 for their respective landscape watering meters within the Company's service area.
3. Company service shall be offered using an inverted block rate structure.
4. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options and a month-by-month outdoor water budget.

ISSUED			EFFECTIVE	
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Sahuarita Water Company, LLC				
W-03718A-09-0359				

VII. BEST MANAGEMENT PRACTICES (continued):

K. Piloting a New Initiative, Project or Program Tariff-BMP 7.8

PURPOSE

A program for the Company to conduct a new initiative, project or program in its water service area using state of the art water conservation technologies and techniques (Modified Non-Per Capita Conservation Program BMP Category 7: Research/Innovation Program 7.8: Piloting a New Initiative, Project or Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission ("Commission") and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Prior to implementing a new project or program the Company shall file a detailed explanation with the Commission describing how the program would work, the possible results and expected costs.
2. At minimum, one new project or program shall be proposed every three calendar years for Commission approval.
3. If a project or program is approved by the Commission, the Company shall document that project or program by filing a report each March covering the activities of the prior calendar year. The report shall include at least the following information:
 - a. Description of the process to implement,
 - b. Costs of implementation, and
 - c. Conservation results.
4. If necessary, the Commission may request additional information.

NOTE: If ADWR does not approve proposed BMP 7.8 by October 1, 2011, Sahuarita Water Company, LLC will, by January 1, 2012, submit a replacement BMP.

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	Month Day Year	ISSUED BY:		Month Day Year
	Mar. 6, 2011	Mark Seamans, President		March 1, 2011
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